



Billing Code 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

(Transmittal Nos. 12-11)

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Ms. B. English,
DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives,
Transmittals 12-11 with attached transmittal and policy justification.

Dated: February 23, 2012.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY

201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

FEB 16 2012

The Honorable John A. Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 12-11, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance to Japan for defense articles and services estimated to cost \$170 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

William E. Landay III
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification



Transmittal No. 12-11

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: Japan
- (ii) Total Estimated Value:

| | |
|--------------------------|----------------------|
| Major Defense Equipment* | \$ 24 million |
| Other | <u>\$146 million</u> |
| TOTAL | \$170 million |
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: provides for 6 KC-130R and 30 T-56-A-16 engines being provided as Excess Defense Articles (EDA), along with the regeneration, overhaul, modifications, and logistics support for those engines. Also included are 6 non-EDA spare T-56-A-16 engines, 6 AN/APS-133 Radars, 9 AN/APX-119 Transponder Systems (6 installed and 3 spares), transportation, aircraft ferry support, repair and return, spare and repair parts, support equipment, tools and test equipment, technical data and publications, personnel training and training equipment, U.S. Government and contractor engineering, technical, and logistics support services, and other related elements of logistics support.
- (iv) Military Department: Navy (SAF)
- (v) Prior Related Cases, if any: None
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None
- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: None
- (viii) Date Report Delivered to Congress: February 16, 2012

* as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Japan – KC-130R Aircraft

The Government of Japan has requested a possible sale to provide 6 KC-130R and 30 T-56-A-16 engines being provided as Excess Defense Articles (EDA), along with the regeneration, overhaul, modifications, and logistics support for those engines. Also included are 6 non-EDA spare T-56-A-16 engines, 6 AN/APS-133 Radars, 9 AN/APX-119 Transponder Systems (6 installed and 3 spares), transportation, aircraft ferry support, repair and return, spare and repair parts, support equipment, tools and test equipment, technical data and publications, personnel training and training equipment, U.S. Government and contractor engineering, technical, and logistics support services, and other related elements of logistics support. The estimated cost is \$170 million. The EDA portion of this sale is also being notified separately as required by statute.

Japan is one of the major political and economic powers in East Asia and the Western Pacific and a key ally of the United States in ensuring the peace and stability of this region. The U.S. Government shares bases and facilities in Japan. This proposed sale is consistent with these U.S. objectives and with the 1960 Treaty of Mutual Cooperation and Security.

The proposed sale of aircraft and support will help to modernize the Japanese Defense Force's aging cargo aircraft fleet. The KC-130 will provide Japan with an improved capability for the movement of cargo and personnel in humanitarian missions.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The prime contractor for training will be CAE, Inc in Tampa, Florida. The regeneration, overhaul, and modifications will be accomplished by U.S. Government personnel. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require U.S. Government personnel to Japan on a temporary basis to support aircraft deliveries, technical assistance, technical and program reviews, and training.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.